

제 2차 OECD 개발원조 정책대화 Issues Paper

Session 1: Lessons from Development for Development Co-operation Policies

Session Objective: Emerging economies and ‘new’ donors have become a new force in the international development effort in recent years. This session aims to offer an opportunity for these countries to share with a broad donor community the vision upon which their assistance is based, what is their strategy and how it is put into operation.

Background

This paper identifies significant development factors that have been detected in emerging donor economies. While not all of the factors

may apply to all, these factors have played critical roles in many emerging donors. Moreover, they have steered the direction of emerging donors’ own socio-economic development process, and development co-operation policy. These factors, therefore, need to be contemplated appropriately in our discussion on development co-operation.

The Fundamental Concept for Development

When discussing the topic of ownership, one promptly envisages the ownership of government. Nevertheless, the development experience of many emerging donors suggests that a country requires the ownership of three pillars to pursue an effective development process. First, the

ownership of policymakers with strong political will can produce sound development policies. In emerging economies, ownership by the government has been manifested as a strong leadership and political will which acted as the fundamental driving force in the economic development. Second, the ownership of the public can generate enabling environment for the development policies and projects and also acutely assess them as a watchdog. Third, the ownership of corporations with corporate social responsibility will result in sound business environment where development policies can be adequately implemented. Thus, only when this triangular ownership is fulfilled and well permeated into political, economic, and social parts of a country, can holistic ownership maneuver development, with the following elements, in the most effective way.

Political Elements of Development

Policies of different sectors of a government need to share common objectives, thereby maximizing the potential of the policies. Therefore, the country should be equipped with a sound institutional framework where the institutions comprehend and adhere to

the central policy and development goals. Furthermore, the existence of a well functioning network, where federal and local government agencies constantly interact with each other to ensure vertical implementation of the development policy, has enabled many emerging donors to utilize the country's budget as well as foreign aid more efficiently. The counterpart to this domestic side is a conscious and strategic approach at the international level: Emerging economies were and are still vigilant to create a national image as a global player by joining and gradually increasing their voice and influence in international organizations and regimes; hence, pursuing a global strategy. Furthermore, reflecting on their past experiences, emerging donors are promoting their view of partner countries on an equal footing when discussing development co-operation. Together with well devised and implemented domestic policies, these steps towards global strategy taken by emerging donors have boosted their national ownership, even further contributing to their economic development.

Economic Elements of Development

Trade, aid and investments have been some of the most widely recognized vehicles for accelerating a country's growth and integration into the global economy. Policies of trade, investment and aid were devised to converge so as to accomplish developmental goals. Each emerging donor is exemplary in having taken the initiative to form an eclectic policy mix in their best interests. These countries have formed sound strategic policies with their own vision and shaped their developmental strategies. Instead of blindly emulating others, developing countries can assess and filter the components which constitute the success of the emerging donors. Trade liberalization has been a prominent determinant of a country's development and how emerging donors made decisions in this regard can provide useful knowledge. But trade liberalization in itself does not possess inherent elements which guarantee success. How emerging donors have tailored and deployed trade liberalization to facilitate progress towards development analysis in their respective contexts holds powerful lessons and experience that can be drawn upon and shared through their development

co-operation. Foreign direct investment (FDI) is another resource which, when strategically used, allows developing countries to integrate into the world economy and provide an efficient medium for achieving their goals. Although the effects of FDI on development are not unequivocal, some emerging donors have discovered and used the mutually benign nexus between trade and investment where FDI can stimulate industrial restructuring and distribute domestic resources efficiently. The complicated aid architecture makes aid and its direct impact elusive. An investigation on the causal link between aid input and outcome can provide a simplified yet practical assessment of the impact. Furthermore, it can be useful in understanding how the emerging economies' perception as aid recipients has influenced the country's aid policy. Developing countries should drive, not be driven by, the process to reap potential gains of aid.

Social Elements of Development

The international community has continuously emphasized the global consensus that social development should not be overshadowed by economic development. Following this trend, emerging donors have

striven to enhance the development atmosphere by incorporating and promoting participation of the public in the development process. This mentality of involving the public has been translated into measures towards education system reform, illiteracy elimination, poverty eradication and sound labor market which brought positive impact on the overall development process. However, many social challenges still remain problematic in several countries. Persistent efforts to decrease the negative influence of those challenges are essential as only the public can provide the second pillar of the triangular ownership and become a contributor to the country's development.

Towards Successful Development

As we have observed in many of emerging donors, accurate assessment of the national situation will lay a path to success in development. Furthermore, through critical analysis and assessment of both donors' and partner countries' situations, they need to identify mutual goals to create a win-win situation in development cooperation. As more countries are participating in development cooperation, this has entered a new stage with

more players and new issues. For all international players, their capacity to adapt in this new environment will determine who will achieve sustainable development and continue to be an active global player and who will not. Together with lessons from development of DAC members, lessons from development of emerging donors need to be explored to produce knowledge for all participants of development co-operation and future emerging donors.

Issues for Discussion

As the scope, impact and capacities of these countries' assistance continue to increase, little is still known about the ideas and concepts of development that shape their thinking and approach to co-operation – on questions such as ownership, capacity development, or management for development results. Sharing this “practical vision”. for development co-operation will allow others to understand better and appreciate their efforts. At the same time, it enhances potential impact by fulfilling the basic condition for mutual learning, revealing synergies and complementarities with other development actors.

- How does an emerging donor's own

experience of development affect its development policies?

- How is this development vision reflected in the implementation and delivery of assistance?
- What has been the experience of its application in practice?
- What can other donors learn, and how can they adapt these approaches to their own programmes and practices?

Session 2: Capacity Development

Session objective: Emerging and transition economies can draw on a wealth of experience on how strategic approaches to capacity building have been a factor in their recent development. By sharing key findings, and by bringing to bear their perspectives and experience, this session aims to produce new insights on the role development co-operation can play in capacity development, including through joining-up of donor contributions, building on comparative advantages.

Background

Without capacity, any progress towards

achieving the Millennium Development Goals, inter alia through development assistance, would lack a sustainable basis, be weak and likely to be reversed. Thus, capacity is at the core of what development co-operation aims to achieve and the key to development success. There is a growing international consensus that in order to accelerate economic growth and reduce poverty, a country needs capacity to: a) plan and manage organisational changes and service improvements, and b) handle critical policy and management aspects of, for example, public financial management or trade negotiations. Country ownership is a key principle underpinning aid and development effectiveness. Yet country ownership of policies and programmes assumes the capacity to exercise it. Hence, achieving aid and development effectiveness depends on countries having sufficient capacity to manage, and donors have a responsibility for, and an interest in, contributing to developing this capacity.

Capacity development versus technical co-operation (TC)

How capacity is best developed is subject to

continuous debate and study in the DAC. Traditionally, the terms “technical co-operation” and “capacity development” have been used interchangeably in development co-operation¹⁾ (e.g. in the Paris Declaration indicators) which led to a blurring of two quite distinct concepts:

- Technical co-operation is ‘the provision of know-how in the form of personnel, training, research and associated costs’ (DAC definition). Examples are study assistance through scholarships and traineeships; the supply of personnel, such as experts, teachers and volunteers; research on the problems of developing countries. These categories overlap, however, and the boundaries are sometimes vague.²⁾
- Capacity development is defined by the DAC as ‘the process whereby people, organisations and society as a whole manage their affairs’. It is about retaining, unleashing, strengthening, adapting and maintaining capacity over time. Moreover,

capacity is not just a concern of the public sector. The processes and institutions for voice, participation and accountability also imply a capable civil society.

Fundamentally, technical co-operation is an input, whereas capacity developed is an outcome. In the past, donors have broadly assumed that they promote capacity development, but reality has proved much more complex. Technical co-operation in itself is not a sufficient input to achieve capacity; sometimes it merely fills gaps temporarily, e.g. experts substituting in a recipients’ civil or social service. Capacity is developed as a consequence of efforts in various areas, e.g. in national education systems, and the support of various actors, such as the private sector.

Some lessons learnt - the example of international consultants and experts

About a quarter of DAC donors’ ODA – about \$20 billion per year – is spent on technical

1) DAC data on TC spending provide the best available measure of donor inputs aimed at capacity development. Indeed, the 2005 Paris Declaration on Aid Effectiveness takes TC as a proxy for measuring progress towards more co-ordinated support for capacity development. This is logical as DAC statistics only specifically record TC aimed at capacity development, known as “free standing” TC, “Investment related” TC, the supply of skills to support a physical project, is subsumed under project aid. DAC members’ internal definitions of TC may vary from this coverage, although they make efforts to adhere to this definition in their DAC reporting.

2) E.g. Technical help is often an important component of infrastructure projects, which are not classified as TC in DAC statistics.

co-operation. Much of this goes to foreign consultants, experts, and advisers. Over time, technical co-operation programmes have come under repeated criticism for being too costly, inappropriate to recipients' needs, or fostering dependence.

As foreign personnel often operate in multiple roles – 'getting the job done', advising, mentoring or supporting capacity development in other ways – it is difficult to assess their actual impact. Research shows that there are very strong incentives for consultants to concentrate on short term results (e.g. meeting revenue targets for a tax service) rather than working to build capacity (e.g. training local tax officials) where the impact may only be measured after a period of years.

There is little data based analysis of the overall effectiveness of the deployment of personnel as an aid instrument. However, four decades of experience point to the inadequacy of ad hoc, piece-meal approaches to capacity development in which donors' short-term project goals displace longer-term incremental changes, and where imported, fragmented, and often costly assistance drives out

endogenous capacity development. The way in which consultants and other experts have been managed by bilateral and multilateral donors has had a negative impact on ownership and, in turn, on capacity development. Experts are often provided off-budget; not procured or recruited by Government; and there is also often a lack of transparency over costs, fees and associated benefits.

Donors have treated capacity development mainly as a challenge of the transfer of technical skills and expertise from North to South, while insufficient attention has been paid to context, politics and governance. The provision of experts has often been supply-driven. International consultants are often offered when south-south cooperation, local consultants or the use of expatriate nationals offer better solutions for partner countries.

Southern donors, provision of expertise, and capacity development

There is a long tradition of co-operation among developing countries. In recent years the development of emerging economies has equipped them with both resources and expertise. They are now becoming active

donors with significant technical assistance operations and forming important south-south partnerships.

The experience of institutional reforms in emerging and transition economies adds a new dynamic to the market for technical expertise and capacity development in the poorest countries. The track record of middle income countries may be more relevant and may be perceived to be more legitimate (and politically acceptable) than the OECD countries' experience. These countries will be important suppliers of appropriately qualified personnel.

Recipients confirm that there are still many areas in which technical expertise cannot be found in the South, however, and that given the choice, recipients would tend to choose a Northern expert over one from the South, as this might trigger additional donor support/resources from the expert's country. A conscious effort towards greater complementarities between Southern and Northern co-operation would allow making more effective use of the respective comparative advantages.

At the same time, the experience – both good

and bad – that DAC donors have accumulated in this important area of development co-operation offers lessons that are clearly relevant also for non-DAC donors.

Towards more strategic support for capacity development...

Simply put, donors need to take a deliberate strategic approach to supporting capacity development in partner countries. Many of the issues and approaches are set out in the DAC's paper *The Challenge of Capacity Development: Working towards Good Practice*.

This paper starts with recognising that capacity development is necessarily an endogenous process and that strong local engagement is key. Moreover, it is not sufficient to support capacity development at the level of individuals, if there is no organisational framework or enabling environment. When designing support programmes for capacity development, donors need to consider three interrelated levels: individual, organisational and enabling environment.

Donors should use country-led, demand-

driven strategies for capacity development as they emerge – local context needs to be the starting point, and retaining and unleashing existing capacities is a priority. Finally, capacity development is a long-term process, and development co-operation in support of it needs to adopt and act within long time frames.

... and technical co-operation.

Technical co-operation per se is neither good nor bad—it is a tool, the value of which depends on how it is used.

To bring technical co-operation under more direct control of the recipient and thus to make it more responsive to recipients' real needs, donors need to be clear how they focus on ownership and avoid supply-driven technical co-operation. This implies a challenge, as partner countries need to articulate capacity needs at a strategic level providing a clear framework with which technical co-operation inputs can align and harmonise.

Linked to this is the question of how to make technical co-operation more market-based and how to pool donor funding for experts to ensure greater coherence and co-ordination.³⁾

Finally, the provision of external experts to 'get the job done' can help deliver critical government services but needs to be balanced with longer term objectives for capacity strengthening.

Issues for discussion

- “Capacity for what?”? How do donors assess this question in a given country context, and how do they focus on the specific capacities needed to accomplish clearly defined goals?
- What is the scope, and what are mechanisms for donors to support the endogenous process of capacity development?
- How can the experience of emerging and transition countries be applied to foster effective capacity development? How can this experience be brought to bear in the

context of bilateral and multilateral donor capacity development programmes?

- What is the experience of emerging and transition countries with technical co-operation as a tool for capacity development? What about other co-operation tools or modalities? How is this reflected in their co-operation?

Session 3: Managing Development Co-operation ? How to make it more effective?

Session objective: This session will focus on how donors can best organise and provide their assistance in order to contribute to development processes led by the partner country. All stakeholders endorse major principles such as ownership, alignment and sustainability of results, but the approaches they choose to pursue them differ. The aim is to create an understanding of the approaches taken, the challenges or advantages they may imply, and to make better collective use of the experience and lessons learnt by all sides.

A basic understanding

The yardstick for effective aid management lies fundamentally in whether the assistance provided contributes to economic growth and sustainable development. Two key implications follow from this. Firstly, partner countries need to assume responsibility and leadership for achieving development results and take ownership of the development processes that external assistance aims to foster and support. Secondly, donors play a key role through the way they manage their assistance and engage with partner countries.

Key lessons from the past

In the past, donors got used to managing co-operation by relying on their own implementation systems and channeling aid to where they felt it was most needed. Recipient countries had to follow the procedures defined by the donors. Bypassing recipient countries. “weak national systems allowed donors to ensure control over their assistance while conforming to their own administrative standards. This flawed

3) See, for example, H. Baser and P. Morgan (2001), "The Pooling of Technical Assistance: An Overview Based on Field Experience in Six African Countries", European Centre for Development Policy Management (ECDPM) Synthesis Paper, ECDPM, Maastricht.

approach had a major unintended effect: Today, more than 50 000 aid projects are underway, many which are “stand-alone,” uncoordinated, and with different funding and reporting arrangements. This significantly strains partner countries’ administrative capacities and seriously undermines the development of endogenous capacities of country systems. By delivering development externally, donors’ parallel implementation structures and processes have substituted the very capacities donors are aiming to help develop.

Working from the partners’ perspective …

Experience has clearly shown that ownership by partner countries is a fundamental condition for effective development co-operation. True ownership is only possible when donors align their contributions with local priorities. Beyond alignment with policy priorities, donors have to recognise the need to adjust the management and delivery of assistance to the respective partner country. Effective aid management means working with partner countries in a way that allows them to strengthen the capacity of their systems and make use of assistance

resources for the implementation of their development policies and services.

… and in a joined-up fashion with other development partners

Adjustment to partner countries goes beyond bilateral relations between donors and recipients. Donors and partner countries need to be joined up to achieve desired development results. Partner countries need to take the driver” seat in leading and coordinating different actors to achieve the best possible development impact. The donor community needs to create an enabling environment by fostering partner country leadership, agreeing on common and simplified procedures, information sharing, and an effective division of labour. Commitment by donors to consultative processes and better coordination and harmonisation are called for.

Towards results

Donors have tended to focus on what they could control and account for – such as the volume of aid and the number of projects – resulting in the dispersion of aid and curtailing partner country leadership. The

real objective of achieving development results was often lost. Results-based approaches to development have gained wider recognition in recent years. In particular, the Millennium Development Goals provide a global reference which partner countries can use to identify results objectives, typically in their national development strategies. Partner countries and donors need to gear all action towards achieving results, from goal setting and resource allocation to performance measurement and evaluation.

The Paris Declaration as a management tool / roadmap for enhanced aid effectiveness

Based on the five mutually-reinforcing principles of ownership, alignment, harmonisation, managing for results and mutual accountability, the Paris Declaration on Aid Effectiveness is essentially a management guide for donors and partner countries. Whilst not prescribing a uniform approach, the Paris principles enshrine the 56 commitments for action, reform and behaviour change in how aid is managed by donors and partner countries. Successful examples of how the Paris agenda is applied

in Cambodia, Viet Nam, Tanzania and Zambia, built on strong country leadership, serve as a model and inspiration.

Some challenges

It is encouraging to see that many non-DAC donors have signed up to the Paris Declaration. However, few have been involved in its preparation. Nonetheless, less familiarity with the aid effectiveness agenda should not belie the fact that it is ambitious for all.

Still, in some respects, it may imply greater challenges for non-DAC donors. A first issue relates to the choice of aid modalities. The assistance programmes of many non-DAC donors are still based largely on free-standing projects. Partly, this is conditioned by the fact that bilateral programmes have only recently been scaled up, and are still based on models of smaller interventions. High fixed costs of creating and sustaining effective aid delivery mechanisms need to remain proportional with the amount of assistance delivered. The opportunity cost of engaging actively in local co-ordination processes will have to be weighed against the

benefits this brings in terms of enhanced co-ordination and alignment.

Options to respond to these challenges include stronger decentralisation of decision making to the field. It is assumed that stronger field presence helps in implementing the aid effectiveness agenda, and increasing concentration and focus of donors on fewer partner countries. Moreover, as ODA volumes of many non-DAC donors increase substantially, the benefits of programme-based approaches may become more compelling.

Among the biggest challenges is the question of control versus relying on country systems. The risk that aid may be misused is a key concern for donors. Administrative constraints regarding the use of partner country systems tend to be stronger for non-DAC donors. Bypassing partner country systems undermines the very effort to build their capacity, creating a vicious circle that perpetuates recipients lack of ownership and accountability.

A key issue in approaching this complex situation is not to confuse control with accountability. Partner country ownership

implies a progressive loosening of donor control, not of accountability. Ownership is not a blank cheque, and the Paris Declaration explicitly intended to strengthen capacity and accountability of partners and donors alike. Managing for results, systematic monitoring and evaluation are key tools to safeguard the process.

Visibility, or 'showing the flag' is important to all donors to get credit for their efforts and helps sustain domestic public and political support. A more joined-up and collective effort of donors with partner countries may make tracing individual contributions practically impossible. One way to overcome this is not to showcase individual outputs, but to focus on results. All donors should be able to lay claim to having contributed to the overall development progress they collectively support – and to the effectiveness of this contribution on the basis of a clear, results-based and accountable process.

What comes next?

The Government of Ghana will host the third High Level Forum on Aid Effectiveness on 2-4 September 2008 in Accra. A second round of

monitoring of the Paris Declaration will start in January 2008; the first monitoring survey in 2006 covered 34 partner countries. Since the Paris High Level Forum in 2005, the aid effectiveness agenda gained substantial international momentum. Appropriate reflection of the views, perspectives, and experience of donors outside the DAC is considered a priority by all stakeholders, and their active participation and contribution to the High Level Forum in Accra will be sought. The DAC-hosted Working Party on Aid Effectiveness, mandated to advance the aid effectiveness agenda, is planning to invite non-DAC donors to a dedicated consultation on 27 November 2007.

Issues for discussion

- How can donors strengthen partner country ownership, and what lessons have emerging economies drawn from their own experience? What are the best options in countries where capacity to exert ownership is weak?
- What has been the experience with harmonising donor procedures and practices and with division of labour? What is the perspective of non-DAC donors on

harmonisation?

- How are donors organising themselves for results-based management at the field level? What are critical factors on the side of partner countries? What can donors do to help overcome constraints?
- How do emerging economies see the Paris Declaration, both as recipients and in relation to the assistance they provide? What are the main challenges or problems for them, and why?
- What are options for donors outside the DAC to apply the aid effectiveness principles given current limitations regarding their choice of aid modalities and instruments?
- What are the best ways for donors outside the DAC to actively join the international work on the aid effectiveness agenda?

Session 4: Development Assistance Partnerships

Session Objective: This session aims, in

the light of a changing aid environment, at fuelling the partnership between all DAC and non-DAC development partners in support of country development strategies. Avenues for increased cooperation will be explored, building on experience from actual partnerships at the country level and drawing on partners' comparative advantages. The session will identify: practical options and opportunities for establishing and strengthening partnerships among all donors at country level; suitable mechanisms to facilitate this; and a specific perspective on how to take forward this dialogue.

The growth in the number of official donors, especially in response to humanitarian crises⁴⁾ and in technical assistance, presents the international community with significant opportunities. The engagement of a wider range of donors also presents significant challenges to the way in which the international assistance is financed, managed and coordinated. Important donors, such as China, India, Brazil, South Africa, Russia, Saudi Arabia and other countries such as Turkey, new EU member states, South Korea,

Thailand and Malaysia, that are not members of the DAC, are significant providers of aid and technical assistance to developing countries.

The global commitments made at the Monterrey Consensus on Financing for Development (2002) and the 2005 World Summit have given new impetus to efforts to improve the effectiveness of aid for development consistent with the achievement of the internationally-agreed development targets, including the Millennium Development Goals (MDGs). Complementing the scaling-up process, the Paris Declaration on Aid Effectiveness (2005) emphasised the need for critical changes to the ways aid is currently delivered and managed. Both Monterrey and Paris have set the international standards for development cooperation, which are espoused also by developing countries themselves, especially the G-77 and the non-aligned movement. To enhance the implementation of the internationally agreed development goals and promote dialogue to find effective ways to support it, a new mechanism was launched in Geneva in July 2007, the Development

4) 92 countries responded with pledges of support to the tsunami crisis.

Cooperation Forum (DCF), a biennial high-level event bringing together all relevant actors to discuss issues relating to effectiveness and coherence.⁵⁾

This new political and global partnership has yet to deliver on the quantity and quality of aid demanding a more rigorous review of the existing development assistance environment, across geographical and economic typologies, to enhance partnerships for development outcomes. While recognising the complexity and diversity of players and resource flows, the objective is to create a more level playing field, built on partnership and focused on the effectiveness of development cooperation. This should imply the development of a dialogue and a culture of transparency in policy and practice between all partners to sustain and deepen development impact.

In order to achieve the internationally-agreed development objectives, it will be crucial to strengthen dialogue and cooperation among the enlarged donor community. The decisive question in the end is whether the collective

inputs result in development outcomes – this is what all recipient countries and donors will be judged on. While partner countries have to be at the centre of the partnership for development, donors need to organise themselves individually and collectively so as to ensure their effective operation in country based approaches.

Aid harmonisation is already a complicated matter and results are not yet satisfactory. The hope associated with all donors, and members of the UN, is that their participation in harmonisation and alignment efforts will lead to “renewed, more realistic and efficient ODA policies and aid practices”.⁶⁾ More active participation of non-DAC donors and their practitioners in international and multilateral development efforts will be advantageous for achieving development aid objectives and ensuring future donor coordination at country level and leveraging initiatives for South-South cooperation and scaling up on the basis of results achieved.

South-South cooperation as well as East-

5) Participants included representatives from developing and developed countries, including bilateral development agencies, UN system organizations, World Bank, IMF, OECD, regional development banks as well as civil society and the private sector.

6) Issue Note, Jean-Luc Maurer, <http://www.inwent.org/ef/events/governance/08265/index.en.shtml>.

East cooperation and triangular cooperation have become a major tool in international development cooperation, complementing the efforts of DAC donors. Triangular cooperation entailing collaboration between “Southern” countries supported by a “Northern” partner or partners has become both important and increasingly diversified.⁷⁾ The accumulated experience holds ample lessons on the design and situations in which triangular cooperation yields the best results. A systematic stocktaking should offer valuable insights for the benefit both for development partners who have used triangular cooperation, and those who are considering whether and how they may pursue this.

There is often a preference for bilateral aid over multilateral routes, particularly government-to-government, as well as through national operational agencies. This preference for bilateral routes reflects a view that aid is part of a deeper, mutually-beneficial partnership. It also stems from a desire for visibility, and for aid to be delivered in a timely manner. Non-DAC donors have in many cases not seen multilateral

contributions as offering these advantages.

Experience has shown that development assistance can only be effective when managed and implemented in a way that focuses on the desired results and provides for sufficient feedback loops and accountability – to the intended beneficiaries as well as the implementers. At country level this can be achieved by ensuring participation of all donors in partner country coordination mechanisms, such as Joint Assistance Strategies (JAS), Consultative Groups/-Roundtables (CGs/RTs) and results and resource meetings and in ensuring transparency of data on aid flows and their allocation through partner country aid management systems (AMS).

Finally, recipient partner countries have to be at the centre of the partnership for development. Donors need to organise themselves individually and collectively so as to ensure their effective operation in country based approaches. Partnerships among donors can help with this by such means as a) facilitating a better mutual understanding of

7) For example, many Southern countries are associated with Japan in sponsoring third country training programmes. There are similar programmes involving Australia and South Pacific countries. CIDA also pursues triangular cooperation for technical exchanges.

the challenges of development co-operation, and how to address them; b) consciously exploiting different comparative advantages, and pooling resources in joint approaches; and c) using existing experience to build institutional and operational capacity to deliver assistance effectively. In order to achieve this it will be essential for donors to work together to achieve a shared vision on how their collective efforts can best contribute to poverty reduction. Opportunities for this exist e.g. in the form of joint analytical work by donors; arrangements for institutional exchange and joint training; or in the form of co-operation in the field, including through triangular co-operation.

Issues for discussion

- How can all donors enhance their cooperation at country level to meet the commitments made both in Paris and more broadly in Monterrey? Is donor collective input, based on donor comparative advantages and a rational division of roles, resulting in the desired development outcomes?
- How can donors, DAC and non-DAC, work together at the country level to enhance national ownership and national capacity to manage aid? Can they profit from joint analytical work?
- What are our collective incentives to ensure policy coherence and complementarity in the provision and use of development assistance at country level, e.g. through a mix of aid modalities? How can we strengthen the incentives for staff within every donor agency at country as well as HQ level to ensure that endorsement of the Paris Declaration is reflected in carrying out dialogue, in the design, implementation and evaluation of co-operation programmes and projects?
- What are good formats to further pursue and build this dialogue (global/regional/sub-regional)? What are effective mechanisms for engaging and staying connected between dialogue meetings and in their preparation?